

Success Spotlight

By Todd Viani

The other day, Rick Dennis got into an elevator and recognized an attorney from a law firm in the building. Dressed in a 3-piece suit, the attorney gave Rick a long look and chuckled. Rick asked, "What's so funny?" The attorney replied, "A Hawaiian shirt?" Rick then responded, "I always wear a Hawaiian shirt, don't you ever wear one?" The attorney answered sarcastically, "Yes, but not to work." Ending the exchange Rick said, "You could if you owned the company."

Growing up –

A California native, Rick was born and raised in the San Fernando Valley. He was the youngest of five children with his nearest sibling ten years his senior. Rick said that by the time he could begin to remember things, it was like he was an only child. He adds, "I was either a mistake or my parents saved the best for last." His parents bought a home in Sun Valley in 1951 and remained there for the rest of their lives. They owned and managed two diners. Rick says that is how he got his business sense. He remembers sweeping the floors and washing dishes as early as seven years old. Rick recalls, "I often found money under the booths that was dropped from our customers."

One of the restaurants was located on the corner of Laurel Canyon and Sherman Way. There was a Fire Department training facility across the street so his father invited each graduating class over to the diner for a free celebratory meal. This endeared his father to the Fire Department and his restaurant became a local hang out. Unfortunately, the good times did not last as the City all but shut them down by forcing a six-month closure due to street expansion. The family opened up another restaurant, but it failed and his parents spent the rest of their working lives in non-ownership positions at other local restaurants.

During this time, Rick's mom thought about a career in real estate. While studying for the exam she would go through the real estate section of the newspaper. Rick was interested in the paper and began looking at properties and their comparative values. He was curious about why certain properties would sell for more based on location. Reading the real estate section became a hobby. Rick says, "This set the tone for what would become a career in real estate."

Rick graduated in the top 5% of his class at Polytechnic High School. He was naturally drawn to math and science and was a member of the chess club. Rick says that he wasn't a sports nut and that he actually enjoyed reading his textbooks. After High School, Rick got a job with a mail order company while he was attending Los Angeles Valley College where he received his AA degree.

First Real Job –

At the age of 20, Rick landed a job with Mode-O-Day, a women's clothing franchiser. During his nine years of employment, he worked in the mailroom, accounting and computer departments. His beginning wage was \$5.30 per hour, which in those days was high enough to eat and pay rent. He moved into a large 2-bedroom, 2-bath apartment in Reseda for \$300 per month. His mornings were spent surfing in Venice as his working hours were 1 p.m. to 9:30 p.m.. Rick says, "I may not have been good on my board, but I was able to avoid getting eaten by a shark."

Working in different departments taught Rick about office operation and management. His boss was Roy Jackson. Rick modeled his management style after Roy, saying, "He was tough, direct and fair." By the age of 29, Rick recognized that he had gone as far as he could go with the company. Rick says, "It was like a lightening bolt, I asked myself what was I doing with my life and realized that this couldn't be everything that life had to offer." Rick says he immediately started looking for another job.

Another World –

A friend of Rick's was a commodities broker making \$300,000 per year. Rick was intrigued by

the potential income so he interviewed and was hired. Passing his Series 3 license exam, he immediately became a commodities salesman. Rick says his new employer was the polar opposite of Mode-O-Day. He described that the change was like going from a company that sold housedresses to Aunt Bea in Mayberry to a high-pressure boiler room full of hungry young wolves looking for their next meal. He added, "They were making so much money it was unbelievable." Rick only lasted a year as the low level of integrity within the company was matched only by the desire for a quick buck.

In 1988 a senior partner started his own company, American National Trading. He hired Rick to be his office manager. Rick worked for him for 4 years. This was a defining experience for Rick. He set up the new operation and handled all of the managerial duties. It was here that he learned how to run a business. Rick says, "After 4 years, I realized that I wanted to run my own business." He explained that working for someone else is great for some people, but he felt hostage to the owner's rules and wanted more control.

Big Break –

In January of '92 a CPA friend referred Rick to a local property management company in need of part time help with their bank reconciliations. The company was doing everything by hand, so Rick taught himself their existing software program and within a week, they were caught up. The company hired Rick on as their Controller.

The real estate market was in the height of the foreclosure economy of the 90's. Rick became familiar with the receivership process. They would take over the management of buildings involved in foreclosure proceedings. They worked as the intermediaries between the banks and owners. Naturally, as buildings were returned to the banks, their management company would have opportunities to permanently manage or purchase the buildings at a discount. Rick saw the opportunity to make it on his own and within 2 years, he and the company's property supervisor left on good terms starting their own property management company. Shortly thereafter, Rick made his first real estate purchase.

My First Building –

In September of 1994, Rick formed Carick Property Management Company. Within a year, he was managing over 100 properties and in 1996 he bought his first apartment, a seven-unit building in Van Nuys. Rick remembers it as a sweet deal. It was a foreclosure property with 6 vacancies that needed rehabbing. He and his partner rehabbed and rented it to full capacity within four months. Rick says he made more on that deal than he had made in his entire working career up to that point.

In 1997 they purchased a 23-unit in Van Nuys with 20% down. The owner was not making any money on the building and wanted out. It was another insider purchase. Had he not been so familiar with the community, he would not have been made aware of the building's availability. Rick and his partner split in August of 2000 and in early 2001, Rick made a 1031 exchange with his 23-unit and purchased a commercial building on Ventura Boulevard. Rick says, "The commercial building was located next to a Starbucks and Quiznos, so I figured if these heavyweights liked the area, who am I to question."

Latest Adventure -

Rick wanted to get into the lending business. Because he was in the real estate management and acquisition business, he thought that a lending arm would be a natural addition. In 2003 Rick found a large company for sale. Rick says, "It was a great opportunity and after looking at it, the numbers presented a 35% per year profit while billing over \$300,000 per month in fees. He purchased the company with his personal finances and the projected future income from the mortgage company. Using a poker metaphor, Rick says, "I'm all in at this point in my life." Rick is developing to a new product called the "guaranteed mortgage" which he will introduce later in 2004. Removing the stresses typically related to the finance process via a guarantee is Rick's vision for

future success.

Life Lessons –

One of Rick's philosophies on life is that a comfortable worker is a productive worker. He also believes that honesty and integrity are the fundamental building blocks leading to success in life. Because he lives by this creed, Rick has found that the bulk of his business coming from referrals. Rick says that if you can create a situation where everyone wins, you can't lose.